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GROWTH STRATEGIES

Success a stone's throw away for 'innovative' thinker

By ADINA GENN

Karen Pearse started Hauppauge-based Innovative Stone with \$5,000 in seed money provided by her dad in 1961. The company has been in growth mode ever since.

A supplier of natural stone to commercial and residential sectors, the company hit \$1 million in sales in year one. Within 10 years, Innovative had offices around the world, and by 2004, revenues reached \$81 million and the company employed 136.

Over the last two years, the company carried out another round of rapid-fire expansion, with sales and the employee roster soaring again - to \$105 million and 262, respectively.

A new product line available at 500 Home Depots, new and expanded facilities on Long Island and in Syracuse, increased commercial and residential projects and additional overseas sales offices all factored into the company's growth, Pearse said.

But the founder said she's grown the company primarily through innovation (hence the company name), keeping a diverse client base, maintaining tight controls and surrounding herself with "fabulous implementers."

Those implementers include a chief financial officer and directors of human resources, operations and information technology, many of whom worked at public companies.

When a company wants to break through a revenue barrier, it's important to assemble a management team who's done that before, said Richard Stroutman, president of Port Washington-based consulting firm Picus Enterprises and a facilitator for the peer advisory group The Alternative Board.

Pearse said the company's executives and staff help her carry out her vision. For instance, Innovative's R&D team designed Stonemark, granite countertops guaranteed to resist stains for 15 years. Though consumers purchase the product through Home Depot, "the order comes to us," Pearse noted.

"We do the project management, the



CREATIVE THINKER: Founder Karen Pearse has always taken an out-of-the-box approach with her aptly named Hauppauge company, Innovative Stone.

fabrication, the installation," she said. "We control the whole thing."

That level of control protects the brand, she added. But companies that land product placement in big box stores can still put themselves at risk, especially if they put all their eggs in one basket, noted Gloria Glowacki, a business advisor with the Small Business Development Center at Stony Brook University.

"If the big box stores don't reorder, the small business is out of business," Glowacki said. "I've seen it happen."

By keeping the client base diverse, Innovative is less at the mercy of the righty retailers. Pearse said her client base is 50-percent consumer driven and 50-percent residential and commercial

driven. Projects include well-known structures such as the Time Warner Center in New York and Roosevelt Field mall. Other structures include additional corridors, department stores, stadiums, hospitals and hotels, according to Pearse.

She said innovation has always served the company well. When she first started calling on prospects, the company developed a patented sample box making it easier for architects and designers to see material; prospects that liked the system placed orders, some of which were for projects in Japan, Korea and Australia, she said.

New innovations include software created by the company's IT department enabling customers to price countertops

online and track orders, Pearse said.

The company recently made headlines by designing, crafting and storing the Freedom Tower Cornerstone. Eventually, it will become part of the new structure at Ground Zero, but for now viewers see it by appointment, bringing flowers and poems.

"It's the only [9/11] memorial there is," Pearse said.

The company's come a long way since its fledgling days, when Pearse wore many hats, including "driving the forklift" and "getting on a plane to Greece to the quarries" to pick out stone to fulfill an order, she said. But throughout any expansion, stone and customer service remain at the company's core, according to its founder.

